



Department of Foreign Affairs Federated States of Micronesia

FAXED

DFA/LSR-097-02
March 14, 2002

03-14-02

By

The Department of Foreign affairs of the Federated States of Micronesia presents its compliments to the Embassy of the United States of America in Kolonia and has the honor to respond to Embassy's Note No. 01-0048, which reads as follows:

A. That unless the consent of the government of the United States of America has been first obtained the government of the Federated States of Micronesia shall not:

- (I) Permit any use of such defense articles or related training or other defense service by anyone not an officer, employee or agent of the government of the Federated States of Micronesia;
- (II) Transfer of permit any officer, employee or agent of the government of the Federated States of Micronesia to transfer such articles or related training or other defense services by gift, sale or otherwise; or
- (III) Use or permit the use of such articles or related training or other defense services for purpose other than those for which they are provided;

B. That said articles or related training or defense services shall be returned to the government of the United States of America when they are no longer needed for the purposes for which they were furnished, unless the government of the United States of America consents to another disposition;

C. That the net proceeds of sale received by the government of Federated States of Micronesia in disposing of, with prior written consent of the government of the United States of America, any defense article furnished by the government of the United States of America on a grant basis, including scrap from any such defense article, shall be paid to the government of the United States of America;

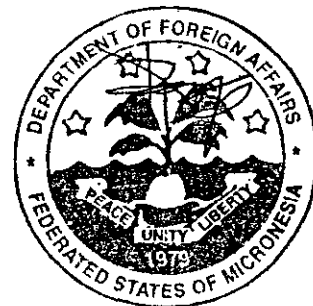
D. That the government of Federated States of Micronesia shall maintain the security of such articles, related training, and other defense services; that it shall provide substantially the same degree of security protection afforded to such articles or related training or other defense services by the government of the United States of America; that it shall, as the United States may require, permit continuous observation and review by, and furnish necessary information to, representatives of the government of the United States of America with regard to the use thereof by the government of the Federated States of Micronesia; and

E. That the government of the United States of America also from time to time make the provision of articles, services, and related training furnished under other authority (except the United States Arms Export control Act) subject to the terms and conditions of this agreement. (Transfers under the United States Arms Export control Act shall continue to be governed by the requirements of that Act and United States regulations applicable to such transfers.)

The Department has the further honor to confirm that the proposals set forth in the Embassy's note are acceptable to the Government of the Federated States of Micronesia and that the Embassy's note and this note in reply shall constitute an agreement between the two governments which shall enter into force on this date.

The Department of Foreign Affairs of the Federated States of Micronesia avails itself of the opportunity to renew to the Embassy of the United States of America in Kolonia the assurances of its highest considerations.

Palikir, Pohnpei



The Embassy of the United States of America in the Federated States of Micronesia presents its compliments to the Department of Foreign Affairs and has the honor to refer to earlier discussions between representatives of the two governments regarding grants under the Foreign Assistance Act of 1961, as amended, or successor legislation, and the furnishing of defense articles, related training, and other defense services from the United States of America to the Government of the Federated States of Micronesia.

In accordance with these discussions, it is proposed that the government of the Federated States of Micronesia agree:

A. That unless the consent of the government of the United States of America has been first obtained the government of the Federated States of Micronesia shall not:

(I) Permit any use of such defense articles or related training or other defense service by anyone not an officer, employee or agent of the government of the Federated States of Micronesia;

(II) Transfer or permit any officer, employee or agent of the government of the Federated States of Micronesia to transfer such articles or related training or other defense services by gift, sale or otherwise; or

(III) Use or permit the use of such articles or related training or other defense services for purposes other than those for which provided;

B. That said articles or related training or defense services shall be returned to the government of the United States of America when they are no longer needed for the purposes for which they were furnished, unless the government of the United States of America consents to another disposition;

C. That the net proceeds of sale received by the government of Federated States of Micronesia in disposing of, with prior written consent of the government of the United States of America, any defense article furnished by the government of the United States of America on a grant basis, including scrap from any such defense article, shall be paid to the government of the United States of America;

D. That the government of Federated States of America shall maintain the security of such articles, related training, and other defense services; that it shall provide substantially the same degree of security protection afforded to such articles or related training or other defense services by the government of the United States of

America; that it shall, as the United States may require, permit continuous observation and review by, and furnish necessary information to, representatives of the government of the United States of America with regard to the use thereof by the government of the Federated States of Micronesia; and

E. That the government of the United States of America may also from time to time make the provision of articles, services, and related training furnished under other authority (except the United States Arms Export Control Act) subject to the terms and conditions of this agreement. (Transfers under the United States Arms Export Control Act shall continue to be governed by the requirements of that Act and United States regulations applicable to such transfers.)

The Department of Foreign Affairs' note stating that the foregoing is acceptable to the government of Federated States of Micronesia shall, together with this note, constitute an agreement between the two governments, which shall enter into force on the date of the Department's reply.

If the FSM Government should state that the conditions set forth in our diplomatic note are acceptable and affirm that the exchange constitutes an agreement between the two governments, the FSM's note of acceptance would include language along the following lines.

"complimentary opening.. and acknowledges receipt of the Embassy's note no. 01-0048, dated November 6, which reads as follows: (quote U.S. note in its entirety).

The Department of Foreign Affairs of the Federated States of Micronesia has the honor to confirm that the proposals set forth in the Embassy's note are acceptable to the Government of Federated States of Micronesia and that the Embassy's note and this note in reply shall constitute an agreement between the two governments which shall enter into force on this date.

Complimentary closing."

The Embassy of the United States of America avails itself of the opportunity to renew to the Department of Foreign Affairs assurances of its highest consideration.



Embassy of the United States of America,

Kolonia, November 6, 2001.


THOMAS J. HUSHEK
CONSUL

The original document of which this is a copy appears to be genuine and unaltered and to have been made at the time purported.

EMBASSY OF THE UNITED STATES OF AMERICA
KOLONIA, FEDERATED STATES OF MICRONESIA

25 SEP 2002